

Congress of the United States
Washington, DC 20515

May 19, 2020

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Administrator Carranza,

The CARES Act created the Paycheck Protection Program (PPP) which enables lenders to offer 100% SBA guaranteed loans for eligible small businesses to help meet certain payroll and operating costs. This program has proved very popular and helped save countless American jobs during the immediate period of economic uncertainty caused by the COVID-19 pandemic.

Many small businesses took these loans with the understanding that they would be forgiven if they maintain their workforce for a set period of time, in addition to other terms. While we have an unclear timeline of when the American economy will begin to flourish as it did before this pandemic, flexibility will be vital to ensure employers who took PPP loans are able to meet the terms that are required to ensure these loans are forgiven.

Many businesses are unable to operate due to mandatory government orders, and it is unclear in many states when they will be able to reopen their doors. Failure to forgive PPP loans would only further harm small businesses in America, putting them further in debt than had they tried to survive the economic disruption through alternative options. Last Friday, SBA issued an application and instructions for the PPP, which answered certain questions related to loan forgiveness. But other uncertainties remain, and SBA indicated they will soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.


Therefore, we request that you respond to the following questions:

- 1) Lenders and small business owners lack answers to loan forgiveness requirements in large part because SBA has not issued regulations and guidance. The Interim Final Rule states, "SBA will issue additional guidance on loan forgiveness." We urge SBA to issue guidance as soon as possible, as PPP loans are being approved and distributed. When will the SBA release forgiveness guidance?
- 2) The Interim Final Rule states, "Limiting non-payroll costs to 25 percent of the forgiveness amount will... help to ensure that the finite appropriations available for PPP loan forgiveness are directed toward payroll protection." Congress recently appropriated an additional \$310 billion for PPP loans. Congress intended for businesses to maintain payroll, but Congress did not intend that 75 percent of the loan would be required for payroll. This limitation may not work for many small businesses, especially those with relatively small payrolls. Do you have the flexibility


- to work with small businesses that took out these loans to maximize loan forgiveness and remove the 75 percent limitation?
- 3) Based on current trends and forecasting, what percentage of these loans do you anticipate will NOT be forgiven?
 - 4) What are the primary reasons you anticipate a loan will be denied forgiveness?
 - 5) How can Members of Congress, banks, credit unions, associations, and other outlets help inform PPP participants of best practices to ensure loan forgiveness?

Thank you for your work to ensure the success of small businesses impacted by COVID-19 and the implementation of the CARES Act and the Paycheck Protection Program and Health Care Enhancement Act. Thank you again for your consideration of our request.


Sincerely,



John Curtis
Member of Congress




Derek Kilmer
Member of Congress




Adam Smith
Member of Congress




Brian Fitzpatrick
Member of Congress



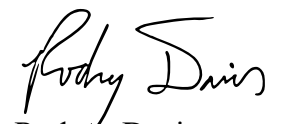
Joe Wilson
Member of Congress



Eleanor Holmes Norton
Member of Congress



Lisa Blunt Rochester
Member of Congress



Rodney Davis
Member of Congress



Vicente Gonzalez
Member of Congress



Jackie Walorski
Member of Congress



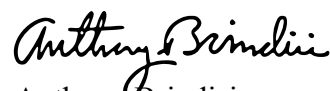
Darren Soto
Member of Congress



Jeff Duncan
Member of Congress



Ben McAdams
Member of Congress



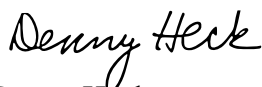
Anthony Brindisi
Member of Congress

/S/Jeff Fortenberry

Jeff Fortenberry
Member of Congress



Bill Foster
Member of Congress



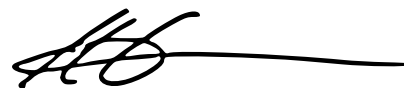
Denny Heck
Member of Congress



Ami Bera, M.D.
Member of Congress



Marc Veasey
Member of Congress



Mike Gallagher
Member of Congress



Peter Welch
Member of Congress



Ed Case
Member of Congress



Brian Mast
Member of Congress



Louie Gohmert
Member of Congress



Bill Johnson
Member of Congress



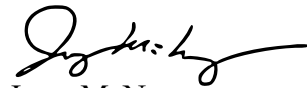
Bradley Byrne
Member of Congress



Rob Bishop
Member of Congress



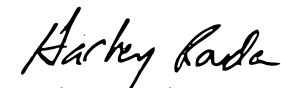
Elissa Slotkin
Member of Congress



Jerry McNerny
Member of Congress



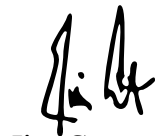
Elaine G. Luria
Member of Congress



Harley Rouda
Member of Congress



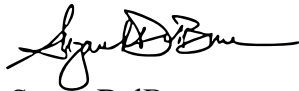
Chris Stewart
Member of Congress



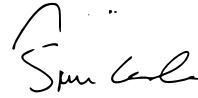
Jim Costa
Member of Congress



Scott H. Peters
Member of Congress



Suzan DelBene
Member of Congress



Tom Cole
Member of Congress



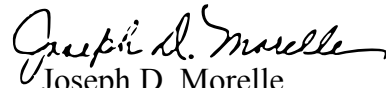
Scott H. Peters
Member of Congress



Elise M. Stefanik
Member of Congress



H. Morgan Griffith
Member of Congress



Joseph D. Morelle
Member of Congress



Abby Finkenauer
Member of Congress



Jimmy Panetta
Member of Congress